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# Minutes

## Board of Natural Resources

March 4, 2003

Natural Resources Building, Olympia, Washington

### BOARD MEMBERS PRESENT

Doug Sutherland, Commissioner of Public Lands

Bob Nichols for Governor Gary Locke

Terry Bergeson, Superintendent of Public Instruction

Glen Huntingford, Commissioner, Jefferson County

Bruce Bare, Dean, University of Washington, College of Forest Resources

### BOARD MEMBERS ABSENT

James Zuiches, Dean, Washington State University, College of Agriculture and Home Economics

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### CALL TO ORDER

Chair Sutherland called the meeting to order at 9:15 a.m. on Tuesday, March 4, 2003, in Room 172 of the Natural Resources Building. He also explained that Terry Bergeson would arrive at approximately 9:25 and Bob Nichols would arrive at approximately 10:30 and the meeting would proceed with public comments.

### PUBLIC COMMENTS FOR AGENDA ACTION ITEMS

#### Bob Lakey - Opposed Knight's Knife Timber Sale (Handout 1)

Mr. Lakey introduced himself as an owner of property that adjoins the proposed Knight's Knife timber sale of Unit 1-A. He requested that the Board postpone or amend the sale until the Skagit County Commissioners adequately review and comment on the storm water plans that have been worked out with Skagit County Public Works to implement as part of the 10-lot development in process. He indicated that there are significant problems with the existing streams flooding, eroding banks, and sediment in the lake. Mr. Lakey asked that the Board work with him to adjust the timing of the sale allowing the construction of a storm water system for the development including a new storm drain to Lake Cavanaugh, which could solve some existing problems. He stressed that he is not asking that the timber harvest not occur, just delayed until the storm water issues are resolved. He then provided the Board with hypothetical comparisons. He also suggested that government agencies be mindful of the impacts their actions have on private citizens. Mr. Lakey also asked for an opportunity to respond to comments that will be made by DNR representatives related to the timber sale. The Board agreed to allow Mr. Lakey to speak again after the Knight's Knife presentation.

Bruce Bare asked how long Mr. Lakey proposed to delay the sale?

Mr. Lakey said two years to finish his storm water system and allow one season for grasses to mature.

Chair Sutherland asked when Mr. Lakey anticipated building his first house?

Mr. Lakey said the improvements would be this summer and the lots would be ready this fall. He clarified that he is not building homes on the site, just selling the lots and those lots would be ready the following spring. He stated that he understands that mitigation is necessary regarding the sale of the lots and intends to have new owners sign a letter stating that they would not oppose any future timber sales. He suggested that DNR work with him on the language of that letter.

Chair Sutherland indicated that the Knight's Knife sale is before the Board later on the agenda and agreed to allow Mr. Lakey the opportunity to come before the Board at the completion of the presentation and provide further comment.

Alan Schreiber - Desert Plateau Homeowners Association

Representing the Desert Plateau Homeowners Association, Mr. Schreiber opposed the Pasco 14 Land Bank Sale. He stated that when he and others in the area bought their homes, they were told that the land adjacent to them was state land and not to expect it to be sold. When they were notified that it would be sold they were surprised. A petition of 500 names was generated to try to stop the sale. He expressed concern about the already overcrowded schools; insufficient police and fire; declining housing prices; and increased traffic congestion. The homeowners association understands that DNR is fulfilling its obligation to the trusts, but the City of Pasco is primarily motivated by money and growth, not less tangible issues such as quality of life all of the people that live near this land. They respectfully request that DNR not proceed with the selling of this land, and if DNR cannot avoid selling this land, please postpone for at least three years.

Jeff Compton - Nature Conservancy of Washington

On behalf of the conservancy, Mr. Compton endorsed the Monte Cristo Trust Land Transfer. He stated that it is an excellent example of how the program can work and the many benefits it can provide. He also congratulated DNR staff, especially Debi Van Buren for her hard work and years of dedication to this project. She worked closely with Klickitat County and the other interested stakeholders.

Break 9:30

*Note: Terry Bergeson arrived during break*

Reconvened 9:40

## **APPROVAL OF MINUTES**

MOTION: Glen Huntingford moved to approve the February 4, 2003, Board of Natural Resources Meeting Minutes.

SECOND: Bruce Bare seconded.

ACTION: Motion passed unanimously.

## HCP IMPLEMENTATION/CASE STUDY

Chair Sutherland introduced Clay Sprague, DNR's new Management Analyst in Executive Management. He then introduced the panel participating in the HCP discussion including Jon Tweedale, George Shelton, and Paula Swedeen of WDFW.

### Habitat Conservation Plan (HCP) Overview (Handout 2)

Clay Sprague - Management Analysts, stated that during this presentation, the Board would be provided a series of informational briefings about how the department is implementing the HCP through adaptive and active management. He began with a description of an HCP indicating it is a detailed plan approved by the US Fish & Wildlife Service and NOAA Fisheries (NMFS). It promotes the conservation of species listed as threatened or endangered under the federal Endangered Species Act (ESA). What that means to DNR is allowing timber harvesting and other management activities to take place in a more certain regulatory environment, and emphasizes species conservation and ecosystem health as a basis for prudent trust management. The HCP covers 1.6 million acres of state trust lands and there are nine HCP planning units (Slide 8). The activities covered by the HCP are timber harvest activities, silvicultural activities, and non-timber activities such as recreation; rights of way; and leases.

Terry Bergeson asked where grazing rights/leases fit into the HCP?

Mr. Sprague indicated that there are a few in southeast, and any grazing leases on lands covered by the HCP will meet HCP standards. He then continued with the adaptive management process, which is a major element of the HCP. It will be key to allow DNR to meet its commitment over the long-term (70 to 100 years). What adaptive management means is that the department will utilize new information from a variety of sources that may modify or refine silvicultural prescriptions or specific conservation strategies. The sources of this information will often be research and monitoring. Mr. Sprague identified examples of the many research and monitoring projects the department has initiated, primarily in the OESF (Slides 19-21).

On-going monitoring of the HCP implementation ensures that all activities on permit lands are in compliance with the HCP. Such information is incorporated into the annual report (included in the Board packet) to the services.

Long-term implementation of the HCP will not only be dependent on the adaptive management process but also active management of trust lands. The active management of trust lands is necessary to meet the 4 habitat structures identified in the HCP ranging from retention of unique habitats and protection of those habitats; retaining certain forest structures for the next rotation to provide habitat diversity; and designing habitat strategies such as thinnings to achieve HCP outcomes more quickly.

Thinnings are one tool to help DNR achieve certain objectives. The location, timing, and level of thinning activity is being analyzed by the department with the sustainable harvest (SH) model. This SH model will provide the ability to decide when, where, and how we design thinnings to help meet the HCP outcomes. Mr. Sprague turned the presentation over to George Shelton and Paula Swedeen to discuss the Klickitat Planning Units.

### Klickitat HCP Planning Unit (Handout 3)

George Shelton - Southeast Region, began by recognizing the groups involved in the forest health issues that have impacted the HCP over the last two years: USFW; the Yakima Nation; State Department of Fish & Wildlife; purchasers; and our own agency scientific staff. He then introduced some members of the team including Clay Sprague - DNR, Mark Ostwald - USFW (in the audience) and Paula Swedeen -

WDFW. Together, this team has worked to come up with a new adaptive management strategy to meet HCP commitments. In eastern Washington there are significant forest health issues, less sustainable habitat this year than last year, and there will be less next year unless appropriate action is taken. There is continued potential for increased forest health problems and epidemics. Mr. Shelton showed the Board a map indicating areas in Washington with forest pest infestations (Slide 3). The desired approach is to focus on the root cause of the problems, which is too many trees in the landscape, and often the wrong species of trees. The focus should be what we want the forest to look like in the future, not how to maintain what it looks like today.

Plant associations are a primary focus, which are basic physical attributes that determine what can grow on a particular piece of ground based on soil, moisture and nutrients, slope, temperature, water, and elevation. What was found on much of the land DNR targeted to meet certain HCP goals, was that you couldn't physically grow the specified habitat. Yet on other lands that DNR wasn't required to grow any type of northern spotted owl (NSO) habitat, were ideally suited to grow the habitat. DNR considered this an opportunity to work together with the team to come up with a science-based strategy that would meet the original goals of the HCP. Mr. Shelton then asked Paula Swedeen to speak on the new strategy.

Paula Swedeen - WDFW, provided an overview of the overarching conservation objective for the spotted owl strategy. It is a three part objective 1) demographic support, which is essentially providing enough habitat of high enough quality to support reproductive owl pairs and clusters of owl pairs across broader landscapes, 2) maintenance of species distribution or to distribute the habitat in a way that the species doesn't shrink, and 3) facilitate dispersal or movement of juveniles from their home territories to a place where they can establish new territories over time. Ms. Swedeen showed the Board a map (Slide 10) that represented how the current HCP strategy was designed to meet the three goals and indicated the various HCP areas designated for special NSO management.

Ms. Swedeen continued by stressing two important points: 1) in the Klickitat area they are fortunate with a wealth of monitoring data on spotted owls because the National Council on Air and Stream Improvement has been doing a monitoring project there for about fifteen years, and 2) in addition to forest health the owl population is doing poorly in the eastern cascades especially in the southern Klickitat area. In 1996, there were 19 sites occupied by pairs of spotted owls, in 1998 there were 17 sites occupied by pairs, and in 2001 it went down to 10 (Slides 11-13).

Terry Bergeson questioned if the decline was occurring in spite of our commitment to the owl circles?

Ms. Swedeen said yes, every landowner is making a contribution, and there are attempts to determine what is going wrong and come up with a new strategy. As a team it was discovered that the current HCP NSO strategy designated some Nesting, Roosting, Foraging (NRF) areas to be set up in locations that were not ecologically suited for NSO habitat. The forest health issues that DNR is experiencing require creative solutions and the current strategy is constraining in terms of being able to implement those solutions. Adjacent landowners, for a variety of reasons, are also managing their habitat in ways that weren't anticipated when the HCP was written. The two major examples of that are 1) the Yakamas are experiencing serious forest health issues which the Board saw this summer and they are losing habitat, and 2) the forest service is not harvesting habitat as aggressively as anticipated under the northwest forest plan. There are some good opportunities for owl conservation. The final issue the WDFW has heard frequently from Mr. Shelton and others is that there are some unintended disincentives in the way the HCP was written to develop and create new habitat.

Glen Huntingford asked Ms. Swedeen to expand on the term "unintended disincentives".

Ms. Swedeen expanded by giving examples of two issues taking place: 1) once the habitat goal was exceeded, habitat would be taken off the top and the way that was interpreted was essentially to let habitat grow and then harvest without a real emphasis on what is needed to move the habitat through the stand development pipeline i.e., what kind of active management strategies are needed to develop sufficient habitat, and 2) the small landscape units made it difficult to come up with flexible strategies needed for the larger landscape unit.

Mr. Shelton added that the district staff was focused on harvesting excess habitat and there was no emphasis on how to create habitat more rapidly now, the primary change is to focus on developing habitat.

Glen Huntingford wondered what becomes of other species during attempts to create habitat for owls and how owl monitoring fits into that? He wanted to know if the right thing is being done for other species?

Ms. Swedeen stated that the NSO is an indicator species and that is validated as more ecological research is done on forests. She continued her presentation explaining that the proposed active adaptive management goal will meet or exceed the original conservation commitment in the HCP. Further, the risk of catastrophic habitat loss is reduced through active management to increase quality of habitat.

Proposed HCP/NRF strategy reflects our current knowledge of habitat requirements and habitat management. It consists of removing NRF management from areas where habitat can't be sustained, (primarily in cold high elevations) then adds NRF management to lands more suited to growing and maintaining NSO habitat.

Proposed HCP landscape strategy consists of looking at landscape units that are larger than Watershed Analysis Units (WAU's) yet small enough to deal with the special ecological needs of the NSO. Several modeling techniques were used to look at habitat development over time and rate of habitat development. Forest vegetation simulators were used. There is heavy focus on habitat development which has been termed the "30-30-30" approach in the Husum Landscape; there is a shifting mosaic strategy with 1/3 of the landscape in high-quality habitat, another 1/3 moving into habitat status, and the final 1/3 in younger habitat conditions. The final piece is to implement a well-tailored, site-specific, management plan that will last for ten years. Ms. Swedeen drew the Board's attention to a map (Slide 18) to show the proposed Klickitat Planning Unit spotted owl strategy. Most of those areas will still meet the dispersal habitat requirements. The final goal is the desired future stand condition and those are based on appropriate vegetation sites.

Ms. Swedeen gave overview of the summary of changes between the current strategy and the new strategy: moving forests towards their historic cover types; shifting habitat requirements to landscape where NRF can be grown and sustained; using active management for habitat development; and providing ten-year site protection plans to replace the critical owl circle strategy. Overall, this should allow DNR to address its forest health issues (Slide 21). Research and monitoring strategies will ensure habitat goals are being met, habitat is actually being used, and strategies are appropriate given population status over time. In conclusion, monitoring is very expensive and inefficient on single ownerships. Coordination with USFW, the Forest Service, and private landowners is important.

Terry Bergeson asked if the National Council on Air & Stream Improvement is interested in participating?

Ms. Swedeen said yes but WDFW is looking for funding to keep that monitoring project operating.

Mr. Shelton continued with his presentation, showing the Husum Landscape (Slide 23) indicating it contains quality owl habitat. He said that variable density thinning will be used to move young stands toward habitat more quickly and enhance structural complexity of mid-age and older stands. Final harvest prescriptions will retain important legacy structure. He showed slides of a stand before and after thinning. He then showed graphs indicating habitat structure in decades under different scenarios (Slides 28 & 29). Mr. Shelton concluded by stating that this has been an ongoing collaboration between USFW, WDFW, Yakama Nation, DNR staff, and purchasers. The focus has been how to create a sustainable complex healthy forest with multiple species protection, and meeting fiduciary responsibilities to the trusts. By working collaboratively, there is intergenerational equity for both wildlife habitat and trusts.

#### Southeast Marketing Strategy (Handout 4)

Jon Tweedale - Product Sales Manager, reiterated that a key outcome is to meet our fiduciary responsibilities. Mr. Tweedale went over the southeast marketing strategies including incremental increases in volume, increased options for harvesting/local economic opportunity, and increased transportation options.

#### *Incremental Increases in Volume*

Healthy forests are a driving force. Out of that there will be product/market segments and diverse products, which means more options. Landscape level adaptive management will create unique resource commodity challenges but will also offer an opportunity to look at shared resources between southeast and northeast regions.

#### *Increased Options for Operations/Local Economic Development*

Scale sales and log sort sales (contract sales) have added flexibility in harvesting and supports creative habitat management. Added volume will support recent new mill capacity. DNR has been involving current buyers and will be expanding as volumes are increased. We will try to work with other mills to increase regional capacity.

Chair Sutherland informed the Board that the bill for contract harvesting is moving along adroitly.

#### *Increase Transportation Options*

Higher volumes may exceed local demand capacity so DNR will be looking at distant markets through rail and barge.

Mr. Tweedale concluded with a marketing summary stating that adaptive management required the department to be creative, flexible, and timely in operations and marketing.

Glen Huntingford asked about the completion of the SEPA on the overall landscape plan, and if the department would need to meet the same requirements for individual sales under SEPA? In other words, if there is a whole landscape plan, and everyone is discussing streamlining, is there a way to move away from SEPA review on the individual sales if the landscape plan is implemented.

Mr. Sprague said that we have been able to identify some long-term strategies and long-term harvest levels. We should have the ability to analyze some decadal harvest levels as part of SEPA. Whether that allows us to do things differently with the timber sales we don't know, but that's something to evaluate in the SEPA process.

Chair Sutherland indicated that current law requires SEPA on individual timber sales because it's a governmental action. A bill has been introduced which would relieve that requirement for individual sales. If the bill were to pass and the requirement were removed, we would still have public involvement and

input on individual sales. Public review has proven helpful in assessing issues of importance to nearby residents on certain sales.

Mr. Sprague concluded by saying that successful HCP implementation is going to require active and adaptive management. Active management over decades will provide marketing opportunities to get the best outcomes, both ecological and economic, for the trust beneficiaries. These all go hand-in-hand in terms of integrated trust land management starting with the Forest Resource Plan, to the HCP, to an individual timber sale. Mr. Sprague then introduced Tammy Reipe who will be replacing him as Assistant Division Manager in the Land Management Division as Science and HCP specialist. She brings 13 years of field operation and wildlife biologist experience to the position.

Terry Bergeson acknowledged that it takes a lot of integrity and fortitude to build a trust relationship between people and entities that have a passion about what they do. The collaboration produces better results on every front. Terry indicated that there are a lot of deep feelings about the way business has been done especially regarding the HCP, and she commended their bravery and attitudes about the process. Terry appreciated the way they have stuck with it despite potential negative feedback.

Chair Sutherland concurred stating how events that are sometimes out of our control can push us to do things differently and with that realization, everyone benefits.

Break 10:55

*Note: Bob Nichols arrived during the break*

Reconvened 11:05

## **LAND TRANSACTIONS**

### Monte Cristo Trust Land Transfer # 02-73143 Resolution #1057 (Handout 5)

Debi Van Buren presented the proposed Monte Cristo TLT stating its location in Klickitat County 15 miles north of the Columbia River 2 miles west of Highway 141. It has been proposed as a natural areas preserve and the parcel is adjacent to a research natural area that is managed by the US Forest Service. The property totals 1,151 acres, it is zoned forest resource, and its highest and best use is for timber production. The Trust is reserving rights on that parcel to extract rock from two gravel pits as well as access to those two pits. The parcel has been a high priority transfer for the Natural Heritage Advisory Council and contains 5 high-quality forest ecosystem examples. The property was appraised by a third-party appraiser and the land was valued at \$642,000 (\$500 per acre plus \$66,000 for young trees) and the timber value is \$8,543,000 for a total of \$9,185,000. The department recommends approval.

MOTION: Terry Bergeson moved to approve Resolution #1057.

SECOND: Bruce Bare seconded.

ACTION: Motion passed unanimously.

Kennewick 16, Parcel A Land Bank Sale # 02-74416

Kennewick 16, Parcel C Land Bank Sale # 02-74592

Pasco 14 Land Bank Sale # 02-74415

Julie Armbruster reminded the Board of her overview of these properties at the last Board meeting. During that overview she explained the department's intent to sell several properties in the Tri-Cities area. Ms. Armbruster described the three additional Tri-Cities parcels for sale through the land bank that she would be presenting. If approved they will be offered for sale at public auction. She indicated that because the background information concerning these three transactions is similar, she will talk about all three parcels together, however they will be three separate action items.

Pasco 14 is one parcel and Kennewick 16 is three, but only A & C are being presented today. Parcel B has been requested by Kennewick Parks and Recreation and will be presented as a direct transfer at a future Board meeting. There are a number of citizen concerns and Ms. Armbruster reviewed the comments specific to these parcels. She also indicated to the Board that they had transcripts of those comments in their packets.

Kennewick 16 Public Comments - There were 12 comments. The primary concerns were for growth management and environment.

Glen Huntingford asked if she was speaking of the management of growth inside the city's boundaries?

Ms. Armbruster said she is using the term in the context of the Growth Management Act and the requirements that are under that. She continued with Kennewick 16 public comments: 5 comments in support of the sale stating that the properties are in Kennewick's urban area and by not developing them encourages sprawl into areas where sensitive lands may be compromised (a statement from the Community and Economic Development Director of Kennewick points out that DNR's continued ownership is a barrier to logical utility and roadway extensions to the surrounding areas and would like to see the property sold); 1 comment asked the city to re-evaluate the need to build more homes due to traffic and school population concerns; 1 comment received yesterday expressed concerns about over development in the area; 4 comments state the need to survey property for wildlife and to review effects of sales on landscape; 1 comment on process; 1 comment on public nuisance; 2 comments expressed concern about the public meeting being held on the same night as the city council meeting and that the property is an eyesore, which could be interpreted as a comment in favor of development.

Pasco 14 Public Comments - There were 31 comments received at the public meeting and 1 yesterday: 11 comments on growth management issues (1 supporting the sale) (10 concerned about negative impacts on the community such as increased school population, loss of open space, and loss of open lands); 9 comments focused on habitat issues; 10 comments questioned the department's process both in terms of the public meeting format and the decision making process regarding selling the property; 2 comments addressed the economics of selling leased land.

As a result of the meeting the department did take another look at the issues but found no basis on which to defer the sales presented today. Regarding habitat, the properties are not developed but they can't support viable populations of native species due to their size, isolation, and location in an urban area. Regarding the growth management issues, the department understands the quality of life issues however, each city has spent much time and effort preparing comprehensive plans in accordance with the Growth Management Act that include opportunities for public participation. All the properties being discussed today are designated for residential development under those plans. Regarding economic concerns, it has been stated that the department could get better returns on the agricultural lease which earns about 1% of the appraised value. A proposal was received yesterday and if it could be



implemented, it would increase the returns to about 2%. Repositioning would earn a minimum of 5% because that is the threshold for acceptable replacement property.

In conclusion, Ms. Armbruster provided some history on the properties to better clarify the department's decision-making process. In 1981, in response to legislative action, the department identified properties that would likely convert from natural resource production to urban use within ten years. The Pasco 14 and Kennewick properties were included on that list because it was recognized even then that they were in the path of development. Since then, due to both the department's Transition Lands Plan and the Growth Management Act, these properties have been earmarked for eventual disposal. Much staff time and effort has been put into preparing these properties for just such an opportunity as this.

Characteristics of Kennewick 16 A - 111.9 acres of undeveloped land; no lease income; within Kennewick city limits and urban growth boundary; currently zoned agriculture however the comprehensive plan calls for upgrade to residential zoning; proposed for sale at public auction; appraised at \$1,735,000 (\$15,500 per acre).

Characteristics of Kennewick 16 C - 32.84 acres on undeveloped land; currently leased for storage facility; within Kennewick city limits and urban growth boundary; currently zoned low density residential; about 12 acres developable due to terrain; proposed for sale at public auction; appraised at \$175,000 (\$14,600 per developable acre).

Characteristics of Pasco 14 - 138 acres of agricultural land; currently leased for a crop circle; within Pasco city limits and urban growth boundary; 3 acres zoned for retail business; proposed for sale at public auction; appraised at \$2,200,000 (\$16,000 per acre).

Benefits for all parcels: sales allow disposal of properties earning little or no income, relative to property value; proceeds will be used to acquire properties with higher income potential; sale timing corresponds to favorable local real estate market. The department recommends approval of these three sales.

Chair Sutherland suggested that the Board ask questions then move to approve each transaction. He then brought up a comment made at the public meetings regarding environment and habitat. As a result of concern, both DNR and staff from F&W provided extra review. He asked that Ms. Armbruster inform the Board of the outcome of that additional review.

Ms. Armbruster indicated there is a report on file from a natural areas ecologist that inspected the properties. Kennewick 16 arguably has some habitat there but the natural vegetation is largely gone, replaced by invasive species. If it had a native plant community there it wasn't big enough to support the habitat. Regarding Pasco 14, it is developed, except for 30 to 40 acres along the edges. It isn't large enough for critical species to inhabit.

Bruce Bare understood that parcels A and C generate little to no income. He then asked what it costs the department to maintain those properties?

Ms. Armbruster indicated that the local managers spend a great deal of FTE time on the leases in urban areas as in Pasco 14's farm area. The department pays assessments on the Kennewick property: \$8,000 per year to the irrigation district for water and \$11,000 for a local improvement district payment for an irrigation line to the property for a total of \$19,000 per year plus staff time. The property loses money.

Kennewick 16, Parcel A Land Bank Sale # 02-74416 Resolution #1058 (Handout 7)

MOTION: Terry Bergeson moved to approve Resolution #1058.

SECOND: Glen Huntingford seconded.

DISCUSSION: Bruce Bare asked if there are any other groups interested in the properties.

Ms. Armbruster said no.

ACTION: Motion passed unanimously.

Kennewick 16, Parcel C Land Bank Sale # 02-74592 Resolution #1059 (Handout 8)

MOTION: Terry Bergeson moved to approve Resolution #1059.

SECOND: Bruce Bare seconded.

ACTION: Motion passed unanimously.

Pasco 14 Land Bank Sale # 02-74415 Resolution # 1060 (Handout 9)

MOTION: Terry Bergeson moved to approve Resolution #1060.

SECOND: Chair Sutherland seconded.

DISCUSSION: Bruce Bare asked what the costs are on this parcel?

Ms. Armbruster said no large assessments but there is a weed assessment of about \$30 per year and a conservation district assessment of about \$15 per year plus staff time.

ACTION: Motion passed unanimously.

## **TIMBER SALES**

Marketing Update/Statewide Update (Handout 10)

Jon Tweedale - Product Sales Manager, indicated that the markets are flat; housing starts seem to be stable; inventory level for lumber at mills is down; hardwood prices are rising. Continue to look toward harvesting of hardwood stands.

Program improvements - DNR has successfully changed its sales mix and diversified sale type and offerings. The result is a substantial improvement in customer base. We have optimized both production and human resources. We have an analytical model that helps us look at costs and volume. There is a renewed spirit of cooperation both internally and externally, which has streamlined the timber sale process. We have an intense focus on the customer and pay close attention to their needs and incorporate those needs. He then showed a graph (Slide 5) that displayed how changing sales methods, and by changing sales mix, we have been able to attribute approximately a \$25/mbf increase, this is in the context of a flat market resulting in a \$13 million per year increase even without sale mix improvement. The next graph (Slide 6) indicated that the department has significantly reduced the

number of employees while increasing productivity per employee over 43% since FY-01. Volume has been increased by 20% at the same time we have reduced costs. He commended DNR for these outstanding accomplishments.

Chair Sutherland commented on the dramatic change in cost to do business as well as increase in productivity levels. He commended the dedicated individuals responsible for these changes.

*Note: Terry Bergeson excused herself at 11:45*

Mr. Tweedale discussed the program vision: statewide pooling; statewide marketing planning and transportation planning; and implementing portfolio management system for optimization of sales. This has been discussed for the last two years.

February 2003 sales results - 18 sales offered, 17 sold; 55.7mmbf sold at an average of \$295mbf; 37% above minimum bid; one no-bid sale in Northeast Region. He indicated there are fundamental changes taking place in the northeast region. We lost a major purchaser, and we may need to adapt our sales methods to attract the Idaho bidders with more scale sales or possibly moving towards contract harvesting. He indicated that stumpage prices are strengthening.

Lunch break 11:55

Reconvened 12:40

*Note: Terry Bergeson returned at 12:45*

#### Proposed Timber Sales for April 2003 (Handout 11)

Jon Tweedale - Product Sales Manager, began with the proposed timber sales for April 2003: 17 sales at 41.7 mmbf valued at \$8.5 million at an average of \$204mbf.

Bruce Bare observed average price as almost \$100 lower than what previous sales sold for. He asked if there was any indication why?

Mr. Tweedale indicated that we have been averaging a 30% over-bid, which is unusual. Typically it is 15 to 20%. With an increased bidder pool, and with more options in how we sell sales, we are seeing strength in the over-bid. We have not changed our appraising practices. He also indicated that there is a partial cut. It could also be the species mix (more hemlock than Douglas fir).

Bruce Bare pointed out the note on the Carmel Pole sale and asked what the note related to?

Mr. Tweedale said he would find out.

Bruce Bare asked about the Palimino Pole and partial cut and how he arrived at the average stumpage value for poles and saw timber of 267.

Mr. Tweedale gave an example for a lump sum pole sale, such as Carmel Pole: an appraisal is done on the pole value as well as an appraisal on the other volumes, then the two are added together for a lump-sum minimum bid. Regarding the Palimino Pole sale: it was a complex sale; the pole value was appraised and that price was set for the poles; and the bid species was allowed to float for the final bid.

Bruce Bare asked what the stumpage value would be for those poles?

Mr. Tweedale said 589 for Palimino Pole value.

Terry asked what it means to “let them float?”

Mr. Tweedale said that is the value that the bidder can increase.

Chair Sutherland noted that there were three past no-bids being brought forward: Kendall Red, Smithie; and Carmel Pole. He asked if they were identical or were there changes made?

Mr. Tweedale discussed the sales:

Kendall Red - There was a question as to how we accounted for the leave trees and there was a difference of opinion with the customer and how we arrived at that leave tree volume.

Smithie - The sale was laid out several years ago and the region resubmitted a new forest practice.

Chair Sutherland pointed out that because the Smithie was shown at \$80 for 3 mmbf, it significantly reduced the average price per board feet. With the two together, it's a significant volume.

Mr. Tweedale indicated that probably contributed to the lower value as Bruce Bare had noted earlier.

Chair Sutherland asked that the discussion move to the Knight's Knife timber sale.

#### Knight's Knife Presentation (Handout 12)

Chair Sutherland introduced Laurie Bergvall and Jessica Karste - Northwest Region. Ms. Bervall began the Knight's Knife presentation offering the objectives, mitigation, and timeline. Knight's Knife has been on the action and development plan since 1998 when it was presented to the Lake Cavanaugh Association. It is located approximately 27 miles southeast of Sedro Wooley. The proposal is 131.6 acres broken up into three units. Unit 1-A is 22.2 acres, Unit 1-B is 15.6 acres, and Unit 2 is 92.5 acres.

Timeline (Attachment to Handout 12):

6/10/1998	Presentation to the Lake Cavanaugh Association
12/2001	Field work began with sale date set for August 2002
4/ 2002	Comment period ended and there were no recorded comments
7/2002	Began second SEPA process and received comments on the new SEPA
7/23/2002	Met with residents who voiced concerns about water runoff, sediments, and wind throw potential. DNR decided to delay the sale to address their concerns
Fall/2002	Reworked the timber sale
1/2003	Again met with residents to review the sale reconfiguration. At that time a SEPA comment period was requested and granted
2/2003	Met with Skagit County Surface Water Management, Public Works representatives, and the adjacent private landowner (at the landowner's request) to discuss the sale
2/2003	Had third SEPA comment period and it ended with no comments received

At the community meeting in August, residents made DNR aware of winds coming out of the northeast from the Deer Creek Basin in the winter. We were aware the winds came out of the east from the Stillaguamish Basin.

To mitigate the wind throw we did the following:

- Did audit of the original Unit 1 boundary

- Recorded direction and amount of blow down

- Most significant blow down was found in the SW corner of the unit adjacent to the private parcel

- Audit determined the dominant wind was coming from the east, southeast from the Stilly drainage

- The rest of the unit wind throw was not in any consistent direction

- It was determined that two units from the original one would help aid in wind throw mitigation

To mitigate the wind throw for Unit 1-A we did the following:

- Kept significant amount of timber upslope and to the east of the unit, in an attempt to keep the wind from dropping down to the ground level

- Opening from east to west is small

- Left large dominant Douglas fir

- Took area between the two new units out of the original unit to leave timber standing to provide protection, working with the topography of the site

- Exchange of leave trees will be limited to trees greater than 200 feet from the private property line south of the unit. This will help mitigate for potential wind throw against the future proposed housing development on this parcel

To mitigate the wind throw for Unit 1-B we did the following:

- Topographical features to the west create a wind block

- Standing trees left between the units will help slow wind down

- Steep slope to the north will block winds from the northeast or the Deer Creek drainage

- Voluntarily deferring the acreage that was deleted from the original unit for a minimum of 8 years

- The deferment will allow the new plantation to mature so trees will reduce wind speed

To mitigate for sedimentation and increase in peak flows, concerns expressed by the landowner proposing a housing development adjacent to Knight's Knife Unit 1-A, and the proximity and visibility to Lake Cavanaugh, we did the following:

- Unit is not in the Rain on Snow Zone

- Unit is located on slopes less than 40% with the majority about 20%

- There are no creeks in the unit boundary

- The unit will be cable yarded only, with one end suspension in the dry season

- 30' equipment limitation zone on T-5 creek

- Will fall and yard away from any low swales that may channel water

- Exposed soils during harvest will be straw mulched and grass seeded before rains

- The proposed DC-1303 road is 2,082' - of this, 433' are in the Cavanaugh WAU, representing .15 acres or .7% of the total acreage in Unit 1-A. The entire DC-1303 road will be abandoned with the sale, leaving no new permanent impervious surface in the Cavanaugh WAU with our proposal. A total of 8,226' of road will be abandoned with the sale

- A proposed road 1,053' in length in the southern part of the unit will not be built

- Slash will be left scattered on site after logging, slowing water flow and aiding in water infiltration

- Planting of 360 trees per acre after logging

- 9 trees per acre will be left on site during and after harvest. We are not doing a sterile removal of all trees, brush, and slash from the site

Ms. Bergvall explained to the Board the pre-harvest/post-harvest plan (Slide 7), which will consist of 9 trees per acre, being left on site. Some of the largest trees were purposely left primarily consisting of Western Red Cedar, Western Hemlock, and Douglas fir. We will plant approximately 360 trees per acre,

consisting of Douglas fir and Western Red Cedar that are two years old. In twenty years the trees will have closed crowns and be 20 to 40 feet tall.

Chair Sutherland brought up Mr. Lakey's earlier comments regarding water runoff concerns. He asked what the results of the conversations were with the Skagit County Public Works and Skagit County Surface Water Management regarding those concerns?

Ms. Bergvall explained that Skagit County plans to replace the culverts and upgrade the drainage structure and they are interested in obtaining funding from DNR to help with those projects given that this is Skagit County forest board transfer land. Money from this timber sale will go to Skagit County and will become an internal accounting issue. Other issues that they wanted DNR to address were cumulative affects as well as Mr. Lakey's concerns. They have stated that they are satisfied that DNR has addressed the issues and we don't expect opposition.

Chair Sutherland asked if Mr. Lakey would like to provide further comments?

Mr. Lakey approached the Board and handed out a letter from Jessica Karste - Northwest Region, (Handout 13) indicating that it was the first piece of correspondence that he had received regarding the sale. He stated that he has had wetland studies done that have identified Type 4 streams; he was not notified of the SEPA process; there have been three DNR meetings that he had not been notified about; he attended 2 meetings that he felt were insensitive to his concerns. The science he has found has indicated that there will be 2 ½ times more water traveling through the ground and over his property and other property owners have had similar problems in the past with timber harvest impacts. He assured the Board that he is not opposed to the timber sale, he simply wants cooperation with a new drainage system.

Chair Sutherland asked Mr. Tweedale and Ms. Bergvall about the SEPA notice and if there was a problem with notification?

Ms. Bervall said that the SEPA notice was directed to the Lake Cavanaugh Association at their request. At the August 23, 2002, it was determined that Cathy Katte, President of the Lake Cavanaugh Association, would be the contact point for all future information and she would disseminate it. She also stated that DNR has gone out of their way to try to include Mr. Lakey in the process through emails, phone calls, and letters.

Mr. Tweedale added that there were 13 homeowners with concerns about the sale and through the process DNR was able to accommodate those homeowners by deferring a significant amount of timber, and by mitigating for runoff, wind, and more.

Bob Nichols asked if Mr. Lakey wants to stop the sale or just have extra time to work out details for downstream impacts?

Ms. Bergvall said he wants a delay of Unit 1-A to allow the housing development's drainage structure to mature on the site prior to the harvest however there are no creeks on our harvest and the peak flow increases are relatively small. She added that the method of harvesting and those restrictions will also decrease the chance for increased peak flows.

Bruce Bare asked how long of a delay would it take to get the storm water drainage installed?

Mr. Lakey (from the audience) said two years.

Bob Nichols asked where the water comes from that Mr. Lakey was talking about earlier?

Ms. Bergvall said the creek begins on his site.

Bob Nichols stated that there appears to be a difference of opinion regarding whether the water comes from above Mr. Lakey's site or begins on his site.

Mr. Tweedale reiterated that Skagit County, as well as DNR's geologist, concur that the runoff is not a problem off of DNR land.

Bill Wallace - Northwest Region Manager, came forward to speak about the site stating that he is the SEPA responsible official and has been intensely involved with this matter due to the SEPA issues raised. In observing the concerns being addressed by his staff, he is confident that all issues have been addressed and that there will be no significant environmental impacts as a result of this sale. He indicated that he does empathize with Mr. Lakey in terms of his land use activities, but with regard to the wind throw and surface water drainage issues, his staff did an excellent job. He also discussed a ground tour he took with his staff and Noel Wolff - hydrologist geologist, coupled with subsequent confirmation from the Public Works Department from Skagit County. All confirming that there was only a 5% increase flow anticipated for the first two years after harvest.

Terry Bergeson asked what would happen if the sale was delayed?

Ms. Bergvall said that this sale has been in action since 1998, and in addition, all concerns on Unit A have been mitigated so there is no reason to not go forward.

Bob Nichols asked Mr. Wallace if Skagit County is in agreement with the sale?

Mr. Wallace stated that the county is not opposed to the sale and understands the issues DNR is addressing and appreciates the way we are addressing them. They also appreciate that there is additional revenue being generated as a result of the sale.

Bob Nichols asked what feeds the stream on Mr. Lakey's property?

Ms. Bergvall said it's a perennial source perking from the ground.

Terry Bergeson again asked what would happen to the sale if it were to be delayed?

Ms. Bergvall said essentially it would disrupt the sale. If we were forced to go somewhere else and do something different every time issues like this come up, soon there will be nowhere left to go. This process began in 1998, and with regard to the mitigation efforts for the unit and all of the expert opinions, there is no reason for this harvest to be delayed.

Chair Sutherland asked if the sale was authorized today and it goes to auction, but part of the contract limitation is they can't harvest until the summer of 2004, would that have a negative impact on bid price?

Mr. Tweedale said there would be potential for a lower bid due to added risk and less flexibility in harvest times. Because it would not be economical, the region would most likely remove the unit and defer it. This is a viable sale and the recommendation is to move forward.

### Approval of April 2003 Timber Sales

MOTION: Glen Huntingford moved to approve April 2003 timber sales.

SECOND: Terry Bergeson seconded.

DISCUSSION: Bob Nichols pointed out that the difference of opinion is uncomfortable.

Chair Sutherland asked Ms. Bergvall to follow the harvest closely and to let the Board know when the harvest is and when the work on site is completed. He stated that he will ask the Northwest Region to host the August Board Retreat and offer a site visit to this location. He also said he would like the Board to be briefed on the Lake Whatcom watershed study at the retreat.

Bob Nichols endorsed that suggestion indicating that urban-rural interface is the future and the questions asked at today's meeting will be asked in the future.

ACTION: Motion passed unanimously.

## **EXECUTIVE SESSION TO DISCUSS PENDING LITIGATION WITH AAG**

Chair recessed for Executive Session at 1:45

Reconvened 2:20

## **CHAIR REPORTS**

### Survey Fee Increase Update

Jim Hurst - Engineering and General Services Division Manager, reminded the Board that at the July Board meeting, the Public Lands Survey Office requested, and the Board approved, an increase in survey recording fees. Bob Nichols requested the survey office have additional discussion with county auditors regarding coordination of efforts. To fulfill that request, DNR's Public Land Survey Office staff met with representatives of the County Auditor's Recording Committee regarding duplication of effort handling survey maps. Relationships between DNR, County Auditors, State Archives, and private land surveyors were discussed and how survey maps are handled during the recording, document imaging, and distribution phases. It is apparent that there is some duplication of effort in the larger counties and some efficiency could be achieved through cooperation. The committee has initiated the first step toward standardizing survey map database information to improve sharing of this data. Future investigation may be in the area of shared Internet services. The committee will continue to meet into the future to develop these shared resources.

### Roads Update (Handout 14)

Jim Hurst - Engineering and General Services Division Manager, presented. Forest Roads are part of the Riparian Conservation Strategy. The two conservation objectives are to maintain or restore salmonid freshwater habitat on DNR managed lands and to contribute to the conservation of other aquatic and riparian obligate species.

The HCP addressed five components for management of the road network. They are: 1) Minimize the number of active road miles, 2) site-specific assessment of alternatives to new road construction, 3)



inventory of all roads and stream crossings, 4) identification of fish blockages and a prioritization for their removal, and 5) upgrading of roads for decommissioning, upgrading, and maintenance.

How DNR is doing.

#### *Minimizing Active Roads*

Over the past three years we have decommissioned 495 miles of active roads however, forest practice regulations do not recognize “decommissioning”. The forest practice standard is “abandonment”.

#### *Site-Specific Assessment of Alternatives to New Road Construction*

We are conducting detailed harvest planning. In some cases, these detailed plans are estimated to reduce sedimentation by ten fold.

#### *Inventory of All Roads and Stream Crossings*

Initial assessment is complete but this is an on-going process. DNR has approximately 2,000 miles of road on trust land (approximately 14,500 miles if we include conservation areas, easements, and right of way agreements).

#### *Identifying Fish Blockages and Prioritizing Their Removal*

An initial inventory was completed two years ago and we have approximately 10,200 culverts installed in live streams and of those, 1,840 were designated as blockages. Fish blockage designation is a moving target and the definition of a fish blockage and method of repair is still evolving. Fish blockage designation is addressed in RCW's, WAC's, Forest Practices Rules, Proposed Forest Practice Rules, and current litigation.

Bob Nichols asked what the geographic location is of the barriers?

Mr. Hurst said the 1,800 barriers are statewide DNR lands, not just HCP lands.

#### *Replacing Blockages*

In the first three years of DNR's HCP, 82 fish blockages were repaired in the planning units. Last year 78 blockages were repaired (120 were scheduled).

#### *Prioritization of Roads for Decommissioning, Upgrading, and Maintenance*

As part of the Forest & Fish agreements, DNR is required to complete Road Maintenance and Abandonment Planning on all of its roads.

#### *HCP and Water Quality*

Making great progress but there are still some challenges.

Glen Huntingford asked if the culverts and blockage design and engineering work is done in-house or do other agencies assist?

Mr. Hurst said that currently, most of the work is done in-house, but is in direct cooperation with forest practice regulators and with State F&W biologists. They provide the criteria we use to design.

#### Lake Whatcom Update (Handout 15)

Presenters: Bill Wallace - Northwest Region Manager, and Jack Hulse - Upland Region Operations Manager presented. They reminded the Board that they had requested the department provide an update on the Lake Whatcom planning process.

Mr. Wallace provided a brief background, then mentioned DNR received approximately 180 written public comments in the Fall of 2002, including at a public meeting in October, on the DNR Lake Whatcom Landscape Plan Preliminary Draft EIS (PDEIS). All of the public comments are posted on the DNR website. Currently, DNR is completing a response summary to those comments, with the assistance of the citizens advisory committee. It is expected to be available on the DNR website next week. That will complete the preliminary draft EIS (PDEIS) process. At this time we have prepared a draft preferred alternative that will, when finalized, then go into the draft EIS. We plan to be back before the Board next month with the preferred alternative and alternatives that will go into the draft EIS. We are in the process of working with the committee to develop these. The DNR draft preferred alternative was built on what was Alternative 2 in the PDEIS. It contains all current laws and policies, the HCP, and the Lake Whatcom legislation and adds other features identified during the PDEIS and committee meetings.

Mr. Wallace continued with a power point presentation beginning with an overview of the principles for developing a preferred alternative including: comply with laws and policies; comply with Legislative requirements; apply what has been learned; satisfy landscape objectives; balance ecological, social, cultural, and economic values.

*Principle 1 - Comply with Laws and Policies*

Forest Practices Rules (watershed analysis)

Other environmental regulations

Archaeological, historic, cultural regulations

1992 Forest Resource Plan

1997 Habitat Conservation Plan

*Principle 2 - Comply with the Lake Whatcom Legislation*

Riparian zones on all streams

Carefully regulate harvest and road construction on potentially unstable slopes

Prohibit road construction on unstable slopes

Develop sustained yield model for Lake Whatcom consistent with statewide sustainable harvest model

Develop a road management plan

*Principle 3 - Apply What we Have Learned*

Three major themes: water quality; unstable slopes; cultural use

Sources: PDEIS analysis; public comments; tribal comments; planning committee; prior planning work

*Principle 4 - Satisfy Landscape Objectives*

21 Objectives: ecology; cultural; economic; community

*Principle 5 - Seek to Balance Values (not maximize)*

Ecological; social; cultural; economic

Overview: working since 1993 to develop a management plan and many interested parties have participated; much has been learned; earlier work provide important framework for Draft Preferred Alternative.

Goal: develop a preferred alternative that both the DNR and the Committee will endorse.

DNR's Draft Preferred Alternative: a balance that reflects all information gathered to date and focuses on protecting water quality; maintaining slope stability; and protection of cultural resources.

Desired Outcome: to provide a responsible balance of a healthy ecosystem and revenue for schools, universities, and counties.

Cultural Resources Protection and Access: the key feature is a government-to-government agreement that will cover tribe's entire usual and accustomed area (not just the Lake Whatcom area); agreements to outline consultation process; identify cultural resources to be protected; address tribal access. DNR will be working with the Lummi Nation and Nooksack Tribe.

Water Quality: protecting water quality is a major focus of current regulations and policies.

The Department of Ecology, in a letter to Commissioner Sutherland, said current regulations along with the legislative requirements (PDEIS Alternative 2) are state of the art for reducing the risk of pollution from commercial forestland in the Lake Whatcom watershed.

The Department of Health, in their letter to Commissioner Sutherland, said they are not requesting any changes beyond current regulations and legislative requirements in the Lake Whatcom watershed.

The current DNR draft preferred alternative includes strategies in PDEIS Alternative 2 and the following additional protection measures: complete road maintenance and abandonment work within 4 years of plan approval (PDEIS Alternative 3); no aerial application of herbicides or fertilizers (PDEIS Alternative 4); no oil and gas production drilling in watershed (PDEIS Alternative 4); and disperse regeneration harvests over time and across landscape.

Unstable slopes: maintaining slope stability is a major focus of current regulations and policies including forest practice regulations (completed Lake Whatcom watershed analysis) and the HCP.

Unstable slopes/PDEIS analysis: PDEIS Alternative 1 indicated potential impacts from road construction are mitigated and greatly reduced. No probable significant impacts from harvesting. PDEIS Alternative 2 indicated potential impact from road construction greatly reduced from Alternative 1.

Unstable slopes: current DNR draft preferred alternative includes strategies in PDEIS Alternative 2 and the following additional protection measures - complete road maintenance and abandonment work within four years of plan approval (PDEIS Alternative 3) and develop alternative access route for harvesting on Lookout Mountain.

Visual impacts: current DNR draft preferred alternative includes strategies in PDEIS Alternative 2 and the following additional mitigation measure - disperse regeneration harvest activities temporally and spatially across the landscape.

Mr. Hulsey then spoke about the broad context of what the legislature requires DNR to do. One of those requirements is to develop a plan that is consistent with the statewide sustainable harvest calculation. As such, we are using the department's Options policy simulator and that allows us to see the impacts of policy decisions spread out over time and space. We believe that the preferred alternative is responsive to the fundamental themes of water quality, slope stability and public safety, and cultural resources. The proposal is a balance for a working landscape. Ecological, social, and economic factors come together in a manner that is reasonable. Mr. Hulsey then gave an overview of age classes (Handout 16 - Slides 1-4). The slides show the substantial increase in the 150 plus age class to the overall detriment to the balance in the age classes and habitat routinely found in working landscapes.

Bruce Bare asked what, within the legislation, requires that 73% of the landscape be 150-year old plus trees 200 years from now?

Mr. Hulsey stated that it is an outcome of a series of legislative directions and environmental fact patterns within this watershed. In particular, the stream densities and slope stability patterns interact with the legal directions.

Mr. Wallace added that with current DNR practices, just with the Forest Resource Plan and the HCP in the Lake Whatcom area, about 28% of the landscape would be constrained from harvesting due to riparian areas and unstable slopes. With the DNR draft preferred alternative, as a result the additional requirements from the legislation, including buffers on all streams, including Type 5 streams, and not being able construct roads across unstable slopes, we went from 28% significantly restricted to 49%. About ½ of the landscape would be available to manage for timber revenues and the other ½ protected, hence, the trees grow older. Part of the 51% available for management would still be restricted, resulting in the large % in the 150-year old timber in 200 years.

Glen Huntingford asked if this type of report will be provided to the legislature?

Mr. Wallace said that informally, some of the local legislators have been informed. They receive all of this information as it is presented to the Lake Whatcom Landscape Planning Committee.

Glen Huntingford stated that as they're getting further along in the modeling, they are now seeing some of the effects of the various legislative pieces. He added that the other side of this, from his understanding, is that this is only for the DNR ownership in the watershed, so the rest of the watershed doesn't have to play by the same rules.

Mr. Wallace indicated the additional legislative requirements only apply to state lands.

Chair Sutherland noted that this appears to reflect a political decision as opposed to what was heard earlier from Mr. Shelton and the others in southeast, which was based on science. He added that it is important to know what happens when political decisions are made and how it affects the environment, social, and economic circles.

Bruce Bare knew that the legislation required riparian zones on all streams, but asked if the legislation specified whether there could be any management on those riparian zones?

Mr. Wallace said that the legislation was not prescriptive, however, it did specify that there be a riparian zone on all streams. There was a prior committee to the current committee that we're working with and they did come up with specific recommendations that there be a 10-meter buffer on each side of Type 5 streams and that there be little or no activity on the streams.

Mr. Hulsey concluded the presentation on Lake Whatcom, and informed the Board that there will be another report at next month's Board meeting.

Bruce Bare asked if there was another way, in terms of the 150-year old age class, to look at the consequences of these forest structures other than age class.

Mr. Hulsey said for the initial run it was a simplification to use age classes as a surrogate. For making broad policy decisions, it simplifies the process to characterize it that way.

## **PUBLIC COMMENTS FOR GENERAL ITEMS OF INTEREST**

### Bill Vogel - US Fish & Wildlife (Handout 17)

Mr. Vogel commented on the quality of an earlier presentation on east side forest health. He indicated that Paula Swedeen presented the science team's efforts well, but he wanted to point out that during the beginning of negotiations of the HCP (1994-97), F&W and DNR had different perspectives on management and he is excited to see that the two departments are now taking a fresh look and coming to similar conclusions. Mr. Vogel added that Mark Ostwald (DNR's implementation contact within F&W) is pleased with the process and particularly happy with how open the process is.

Mr. Vogel indicated that he has been out in the field a great deal with DNR staff during the pilot monitoring program on eastside forest health, and working with thinnings and dispersal habitat issues on the west side and wanted to share his observations. He emphasized that F&W has concern about stand structure amounts across the state and places a great deal of reliance on the stand structure commitments in the HCP. He stated that what they have seen on the ground so far is good to excellent. They have seen good application of variable thinning concepts as a result of DNR training by Dr. Franklin and Dr. Carey. DNR staff appear to be taking these principles to heart. Mr. Vogel indicated they have seen stringent monitoring and enforcement of criteria and have heard some very good ideas about monitoring effectiveness such as scale of variability, and look forward to good coordination between operations and scientists in the near future on such effectiveness monitoring. We are anticipating procedures that account for site-specificity and allow the appropriate flexibility to achieve objectives on a site-by-site basis. Prescriptions must sometimes be complex and foresters need a variety of tools to put up sales, such as different types of marking and contracting options. He pointed out the bill on contract harvesting, which is moving through the legislature indicating that it will provide a great tool to obtain those outcomes. Currently, options appear greater in stands that have been thinned in the past. These stands close in fairly quickly, and result in a short window in which you can get desired habitat changes.

Mr. Vogel mentioned some special situations F&W has had concerns such as small pockets of habitat and legacy trees (defective trees and snags). Most of the thinnings that they have seen DNR do could be more aggressive to better meet both ecological and economical goals. He concluded by saying that the F&W Service is advocating DNR to: consider additional thinning and to work toward increasing the amount of thinning that occurs on DNR lands; try different things in different places for diversity sake; to thin more aggressively; and F&W is available to assist in communications with other landowners or land management agencies to facilitate sharing information. He added that F&W applauds DNR for the work that has been done so far to educate foresters and other DNR employees, to cautiously put high-quality thinning guidelines in place.

### Becky Kelley - Washington Environmental Council (WEC)

Commented on an earlier discussion about Knight's Knife. WEC feels that without the SEPA process and the opportunity for the neighbors to interact with DNR and have their concerns addressed, that there would have been a lot more public testimony and concerns expressed at this meeting. Ms. Kelley said it was good to see the process working and to see DNR staff respond to the public concerns.

In the context of the SEPA bill mentioned earlier, WEC was disappointed that DNR didn't stand up for SEPA more, given some of the examples seen today about how it can work on the ground to solve problems ahead of time and allow timber sales to go forward.

Chair Sutherland clarified that when he testified on the bill, he had indicated to the committee that if the legislature determined that SEPA were no longer required for individual timber sales, DNR would still

have public discussion relative to individual sales. He noted that his testimony on the bill was intended to be diplomatic.

Ms. Kelly indicated that last summer DNR updated its SEPA process, adding maps and photos and some new processes that went into place last July. She stated that those were good improvements, so regardless of what happens in the legislature, those things should continue for DNR and for the citizens. WEC was please to work cooperatively with DNR on several bills this session such as the contract harvesting bill, which WEC supports through testimony, or at least by submitting testimony. WEC also supports DNR's forest health legislation this session, which has been trimmed back to just dealing with exotic species, but WEC is still supportive of that legislation.

Following up from statements made at last month's Board meeting, Ms. Kelley indicated that she still isn't clear about the details of the different alternatives. At the last Board meeting DNR staff stated that the information is available on the website yet she had checked the website and the information is the same from last fall. WEC looks forward to seeing details beyond the one chart that's on the website.

Bob Dick - American Forest Resource Council in Olympia

Commented on statements made by Jon Tweedale regarding the attempts by DNR to work closely with their customers, and Mr. Dick confirmed that is in fact the case, and they are very appreciative of the new attitude of DNR indicating it is very constructive. They may not always agree but at least the communication allows discussion about what's going on. He also brought up comments Jon Tweedale made about statements by Mr. Greenspan regarding the housing market "going south." The housing market has been on a high for three or four years but it will not last forever.

Mr. Dick then commented on Lake Whatcom and expressed concern about an earlier presentation stating that no one would hold timberland for productive purposes if 70 plus % is locked away in old growth. If we are going to be collectively under pressures to reduce the land base by 70% those lands won't be held and we will not have a timber supply.

He also brought up earlier discussion about southeast Washington. He stated that the Board should hear more about the intrusion of the barn owl moving into spotted owl territory. Dr. Irwin (Paula Swedeen referenced earlier) did the work in that area and found that in many of the areas the spotted owl used to reside, they are now gone and replaced by barn owls.

Mr. Dick concluded with statements about forestry. He reminisced about older forestry concepts called "regulated forests" which was a forest in perfect harmony with itself in terms of production. He has not heard any discussions about this concept in a long time. He noted in earlier discussions, from a biological standpoint, that the assumption is that these forests are going to remain the same throughout time and that is not the case. He then brought up several historic events in Washington State that have changed the forest landscapes: 1902) Yakima fire burned a million acres 1910) Great Idaho fire burned part of northeast Washington 1920) hurricane took out a lot of old growth timber 1949) Forks fire burned 100 thousand acres 1962) Columbus Day storm 1980) Mt. Saint Helens 1994) Fires 1995-96) ice storm, and most important of all, the forest health problems. The forest will not stay the same forever.

Chair Sutherland asked if anyone else present wishing to make comment before the Board? Seeing none, hearing none.

Meeting adjourned 3:30 p.m.

Approved this \_\_\_\_ day of \_\_\_\_\_, 2003

\_\_\_\_\_  
Doug Sutherland, Commissioner of Public Lands

\_\_\_\_\_  
Bob Nichols for Governor Gary Locke

\_\_\_\_\_  
Bruce Bare, Dean, University of Washington

\_\_\_\_\_  
James Zuiches, Dean, Washington State University

\_\_\_\_\_  
Terry Bergeson, Superintendent of Public Instruction

\_\_\_\_\_  
Glen Huntingford, Commissioner, Jefferson County

Attest:

\_\_\_\_\_  
Maureen Malahovsky, Board Coordinator